# Access to Substance Use Treatment for Insured Youth

Staff Findings and Recommendations

Legislative Program Review & Investigations Committee
December 18, 2012

# Study Overview

- **What impacts access to treatment for insured youth?**
  - Mental health parity laws
  - Coverage in a policy
  - Utilization review process
    - Laws, oversight, and assistance
  - Availability of services (separate report)

# Staff Recommendation Themes

1. Improve CT Insurance Department's (CID's) oversight
2. Require utilization review decisions for substance use treatment be made more quickly and appropriately
3. Make the appeals process more user-friendly

# Why Is Access Important?

- Serious substance use by youth is somewhat common
- 90% of those dependent started using as adolescents
- Huge costs
  - Individuals, families
  - Society

# Mental Health Parity Laws: CT

- CT fully-insured plans must -
  - Cover behavioral health
  - Not put on the enrollee a greater financial burden (for behavioral health vs. medical)

# Mental Health Parity Laws: Federal

- Large group employer plans (+ some others, especially through the ACA)
  - If behavioral health coverage is offered, must be similar to medical coverage
    - Quantitatively
    - Qualitatively
- Awaiting final detail

# Insurance Oversight (Generally)

- State law & agency: fully-insured plans
  - CT Insurance Dept. (CID) jurisdiction is limited to these plans
- Federal law & agencies: all others + fully-insured employer plans

# Mental Health Parity Laws: CT Oversight

- CID is not enforcing the full potential extent of parity laws
  - Interprets CT's law narrowly
  - Pre-issuance review doesn't check for compliance with qualitative aspect of federal law
- CID does not compile deficiencies it finds

# Mental Health Parity Laws: CT Oversight

## Staff Recommendation

- **CID should track, monitor, and address recurrent policy deficiencies** (#1)

# Mental Health Parity Laws: CT Oversight

## Staff Recommendation

- **CID shall report to CGA committees of cognizance about how it will require plans to demonstrate compliance with the federal parity law** (#2)
  - Include public meeting and Healthcare Advocate's suggestions

# Utilization Review

- How a health plan decides whether a treatment is covered
  1. Included in policy
  2. Person is covered by the policy
  3. Treatment is medically necessary. Decided -
     - By a healthcare practitioner
     - Using a set of criteria (i.e., protocol) and (if applicable) statutory definition

# Utilization Review: Treatment Coverage

- The traditional substance use treatment levels are covered in fully-insured and Medicaid policies
  - Medicaid also has in-home treatment models
- The length of treatment coverage initially authorized varies
  - But can be extended

# Utilization Review: Process

1. Request
2. Initial coverage decision; if denied -
3. Internal appeal (1-2)
4. External appeal

# Utilization Review: Process

| | Requirement | PRI Staff Found |
|---|---|---|
| ***Timeframe (pre-treatment)*** | 72 hours (urgent) or 15 days | All S.U. treatment coverage decisions are urgent |
| ***Who can make a denial decision*** | Any licensed healthcare practitioner | This person should have expertise (reqd. for appeals, by other states, med. mal. witnesses) |
| ***What is used to determine medical necessity*** | Protocol based on sound clinical evidence | Not clear this is the case, for S.U. decisions |

# Utilization Review: Process

## Staff Recommendation

- ***Timeframe*: Amend statute to require pre-treatment S.U. coverage decisions are made within 72 hours** (#3)

# Utilization Review: Process

## Staff Recommendation

- ***Denial decision-maker*: Amend statute to require high level of expertise –** (#4)
  - Doctoral or medical degree; and
  - Appropriate board certification, including subspecialty; or active relevant practice.
  - S.U. for kids: also prior training or clinical experience in this area

# Utilization Review: Process

## Staff Recommendation

- ***Medical necessity criteria*: Amend statute to require, for S.U. coverage decisions, either –** (#5)
  - **Addiction field's placement manual**; or
  - **Plan-specific criteria, with –**
    - **Deviations from manual clearly justified by research**
    - **Approval from DMHAS / DCF**

# Utilization Review: Notice Requirements

| | **Requirement (among others)** | **PRI Staff Found** |
|---|---|---|
| ***Initial denial notice*** | 1. Office of the Healthcare Advocate's (OHA) contact info. listed<br>2. No reqmt. to include how to support appeal | • Less than half of denials are appealed, for many reasons<br>• Required language could be more informative |
| ***Denial upheld internally*** | No reqmt. to include CID and OHA contact info., for certain denials | • These agencies are willing to assist |

# Utilization Review: Notice Rqmts.

## Staff Recommendation

- ***Initial denial notice language*: Amend statute so notice is more informative –** (#6)
  - **OHA assistance is free and enrollee may benefit from it**;
  - **Person is entitled and encouraged to submit specific types of documentation if appeal is pursued; and**
  - **Appeals are sometimes successful.**

# Utilization Review: Notice Rqmts.

## Staff Recommendation

- ***Upheld denial (non-medical necessity)*: Amend statute so notice is more informative –** (#7)
  - **OHA assistance is free and enrollee may benefit from it; and**
  - **Person has a right to contact CID and OHA at any time.**

# Utilization Review: Data

- Volunteered by the five health maintenance organizations, for fully-insured plans
- Variety of data limitations (e.g., 2011 only)
- Largely restricted analysis to levels of care above regular outpatient

# Utilization Review: Data Highlights

- Overall, 88% of S.U. treatment requests needing utilization review were approved
- Variation among levels of care and, within levels, the plans
- Lowest approval rate: Residential
  - But still, overall, 73%

# Utilization Review: Data Highlights

- Internal appeals
  - Est. appeal rate: 42%
    - Est. overturn rate: 5%
- External appeals
  - Est. appeal rate: 11.5% of unsuccessful internal appeals
    - Est. external appeal overturn rate: 40%
    - CID data: 3-yr. average – 34%
      - Some differences among diagnosis, levels of treatment, age – but none statistically significant

# Utilization Review: CID External Appeal Process

- Enrollee can apply
  - Requirements: Small fee, done with internal appeals process (or urgent), copy of denial letter and insurance card
- Decision made by expert from contracted independent review organization

# Utilization Review: CID External Appeal Process

- Guide (done by CID) sent with final / urgent denial notices
  - Helpful explanation of the process, but could be improved

# Utilization Review: CID External Appeal Process

## Staff Recommendation

- **CID: Revise guide to include** (#8) **–**
  - **OHA information**
  - **Emphasis on submitting documentation, with list of possible items**
  - **Consumer overturn rate**

# Utilization Review: CID External Appeal Process

- 30-42% of applications rejected (ineligible)
- Reasons include –
  - Ineligible: Plan not fully-insured and CT-sited
  - Incomplete documentation (missing insurance ID card or final denial letter)

# Utilization Review:
# CID External Appeal Process

## Staff Recommendations

- **CID: Take steps to try to decrease applications with incomplete paperwork** (#9)
- **CID: For applications rejected because plan type is ineligible for this process, tell the applicant the potential next steps** (#10)

# Medicaid Utilization Review

- Behavioral Health Partnership (BHP)
  - HUSKY, Charter Oak Health Plan, DCF Limited Benefit
- Review mainly done by ValueOptions
  - But residential treatment for HUSKY D (Medicaid LIA): DMHAS's administrative services organization

# Medicaid Utilization Review

- No financial incentive to deny care
  - Paid per-review
- Process generally the same as commercial insurance

# Medicaid Utilization Review: ValueOptions Process

| | **Contract Requirement** | **Comm. Plan Requirement** |
|---|---|---|
| ***Timeframe (pre-treatment)*** | 2-3 hours (inpatient, detox) or 1 business day | 72 hours or 15 days |
| ***Who can make a denial decision*** | Psychiatrist, psychologist, addiction-cert. MD | Any licensed healthcare practitioner |
| ***What is used to determine medical necessity*** | Protocol approved by BHP's oversight committee (includes providers) | Protocol based on sound clinical evidence |

# Medicaid Utilization Review: ValueOptions Process

- Decision-maker requirements
  - Not entirely consistent with staff's recommendation for commercial fully-insured plans
  - But no evidence there may be problems

# Medicaid Utilization Review: ValueOptions Process

## Staff Recommendation

- **When BHP contract is re-bid, consider what would be needed to bring qualifications up to standard recommended for fully-insured plans** (#11)

# Medicaid Utilization Review: ValueOptions Process

- Denial notices include information for the legal assistance hotline, but not for OHA

# Medicaid Utilization Review: ValueOptions Process

## Staff Recommendation

- **Add OHA contact information to the denial notice** (#12)

# Medicaid Utilization Review: Data Highlights (2009-2011 ave.)

- Initial approval rate of 96% (intensive outpatient and higher)
- Internal appeals
  - Est. appeal rate: 15-24%
  - Est. overturn rate: 15-34%

# Medicaid Utilization Review: Data Highlights (2009-2011 ave.)

- External appeals
  - Only nine (equiv.) requests in last five years (2007-2011)
  - Overturn rate (all diagnoses): 33% (1 of 3 fair hearings held)

# Consumer Assistance

- Utilization review complaints accepted by CID, OHA, and Office of the Attorney General (AG)
- CID focuses on informing consumers of rights and next steps
- OHA and AG assist enrollees and providers with supporting requests and appeals

# Consumer Assistance: Websites

- OHA's could be more helpful to enrollees experiencing coverage problems – but a revamp is imminent
- CID's does not explain the utilization review process or link to OHA's

# Consumer Assistance: Websites

## Staff Recommendation

- **CID's relevant web pages should prominently link to OHA's website** (#13)
  - With a statement that OHA can provide free assistance throughout the utilization review process

# Oversight

- CID oversees utilization review in a variety of ways
- Publishes utilization review data in a Consumer Report Card, but:
  - Not presented in a meaningful way
  - Not used by CID to identify potential problems
    - 2011 report card showed substantial differences among health plans

# Oversight

## Staff Recommendation

- Improve oversight: **Amend statute to require CID to** – (#14)
  - **Analyze Consumer Report Card utilization review data, and**
  - **Take reasonable action to investigate and address meaningful differences among carriers**

# Oversight

## Staff Recommendation

- Improve consumer-friendliness of information**: CID should –** (#15)
  - **Include both raw numbers and rates in the report card**
  - **Make the report card and complaint rankings available on its web pages that consumers are most likely to visit**

# Access to Substance Use Treatment for Youth

- Remaining work
  - Capacity and possibly overarching issues
  - Staff report in early 2013

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